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1. IRAN-IRAQ: MORE IRAQI ATTACKS IN THE GULF

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//IRAN PROBABLY WILL RETALIATE AGAINST SHIPPING BOUND FOR THE  
ARAB STATES OF THE PERSIAN GULF IN RESPONSE TO INCREASING IRAQI  
AIRSTRIKES NEAR KHARK ISLAND

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APPROVED FOR RELEASE  
DATE: JUL 2004

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[REDACTED]

[REDACTED]

THE LONDON SHIPPING PRESS REPORTS THAT CHARTER RATES FOR TANKERS LOADING AT KHARK ISLAND, WHICH BEGAN TO DROP AT THE END OF LAST WEEK, APPROACHED THEIR PREVIOUS HIGHS AFTER IRAQ RESUMED ATTACKS ON SHIPPING SUNDAY. [REDACTED]

COMMENT: //THE LATEST RAID, CLOSELY FOLLOWING THE ATTACK ON SUNDAY, SEEMS TO REFLECT AN IRAQI DECISION TO ACCELERATE ATTACKS AGAINST SHIPPING. IRAN IS LIKELY TO RETALIATE IN THE NEXT FEW DAYS. YESTERDAY'S ATTACK COULD CAUSE CHARTER AND INSURANCE RATES FOR KHARK ISLAND TO RISE TO NEW HIGHS. [REDACTED]

//IRANIAN PREPARATIONS FOR AN OFFENSIVE CONTINUE DESPITE DEEP DIVISIONS AMONG IRANIAN LEADERS OVER WHETHER IT SHOULD TAKE PLACE. AYATOLLAH KHOMEINI, HOWEVER, HAS COMMITTED HIS PRESTIGE TO AN OFFENSIVE AND TO CONTINUING THE WAR. [REDACTED]

[REDACTED]

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